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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-087]

Steel Propane Cylinders from the People's Republic of China: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing a countervailing duty order on steel propane cylinders from the People's Republic of China (China).

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Samuel Brummitt, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7851.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 705(a), 705(d) and 777(i)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(c), Commerce published its affirmative final determination in the countervailing duty investigation of steel propane cylinders from China on June 21, 2019.¹ On August 5, 2019, the ITC notified Commerce of its final affirmative

¹ See *Steel Propane Cylinders from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 84 FR 29159 (June 21, 2019).

determination that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of steel propane cylinders from China.²

Scope of the Order

The merchandise covered by this order is steel propane cylinders from China. For a complete description of the scope of this order, *see* the appendix to this notice.

Countervailing Duty Order

On August 5, 2019, in accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified Commerce of its final determination that an industry in the United States is materially injured by reason of imports of steel propane cylinders from China.³ Therefore, in accordance with sections 705(c)(2) and 706 of the Act, we are issuing this countervailing duty order. Because the ITC determined that imports of steel propane cylinders from China are materially injuring a U.S. industry, unliquidated entries of such merchandise from China, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

As a result of the ITC's final affirmative determination, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, countervailing duties on unliquidated entries of steel propane cylinders from China entered, or withdrawn from warehouse, for consumption on or after October 26, 2018, the date of publication of the *Preliminary Determination*,⁴ but will not include

² See ITC Letter, dated August 5, 2019 (ITC Letter).

³ See ITC Letter.

⁴ See *Steel Propane Cylinders from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 83 FR 54086 (October 26, 2018) (*Preliminary Determination*).

entries occurring after the expiration of the provisional measures period and before publication in the *Federal Register* of the ITC's final injury determination, as further described below.

Suspension of Liquidation

In accordance with section 706 of the Act, Commerce will instruct CBP to reinstitute the suspension of liquidation of subject merchandise (*i.e.*, steel propane cylinders from China), effective on the date of publication of the ITC's final determination in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. We intend to instruct CBP to require, at the same time as importers would normally deposit estimated duties on this merchandise, cash deposits for each entry of subject merchandise equal to the rates noted below. These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all producers or exporters not specifically listed.

Estimated Subsidy Rates

The estimated subsidy rates for the countervailing duty order are as follows:

Company	Subsidy Rate
Guangzhou Lion Cylinders Co. Ltd.	142.37 percent
Hubei Daly LPG Cylinder Manufacturer Co. Ltd.	142.37 percent
Shandong Huanri Group Co. Ltd.	37.91 percent
Taishan Machinery Factory Ltd.	142.37 percent
TPA Metals and Machinery (SZ) Co. Ltd.	142.37 percent
Wuyi Xilinde Machinery Manufacture Co., Ltd.	142.37 percent
Zhejiang Jucheng Steel Cylinder Co., Ltd.	142.37 percent
All Others	37.91 percent

Provisional Measures

Section 703(d) of the Act states that the suspension of liquidation pursuant to an affirmative preliminary determination may not remain in effect for more than four months. Commerce published the affirmative *Preliminary Determination* on October 26, 2018. Therefore, the four-month period beginning on the date of the publication of the *Preliminary Determination* ended on February 22, 2019.

Therefore, in accordance with section 703(d) of the Act, Commerce instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of steel propane cylinders from China entered, or withdrawn from warehouse, for consumption on or after February 23, 2019, the date on which provisional measures expired, through the day preceding the date of publication of the ITC's final affirmative injury determinations in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final affirmative injury determinations in the *Federal Register*.

Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to steel propane cylinders from China pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is published in accordance with section 706(a) of the Act and 19 CFR
351.211(b).

Dated: August 7, 2019.
Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

Scope of the Order

The products subject to this order are steel cylinders for compressed or liquefied propane or other gases (Steel Propane Cylinders) meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation (USDOT) Specifications 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or United Nations pressure receptacle standard ISO 4706 and otherwise meeting the description provided below. The scope includes steel propane cylinders regardless of whether they have been certified to these specifications before importation. Steel propane cylinders range from 2.5 pound nominal gas capacity (approximate 6 pound water capacity and approximate 4-6 pound tare weight) to 42 pound nominal gas capacity (approximate 100 pound water capacity and approximate 28-32 pound tare weight). Steel propane cylinders have two or fewer ports and may be imported assembled or unassembled (*i.e.*, welded or brazed before or after importation), with or without all components (including collars, valves, gauges, tanks, foot rings, and overfill prevention devices), and coated or uncoated. Also included within the scope are drawn cylinder halves, unfinished propane cylinders, collars, and foot rings for steel propane cylinders.

An “unfinished” or “unassembled” propane cylinder includes drawn cylinder halves that have not been welded into a cylinder, cylinders that have not had flanges welded into the port hole(s), cylinders that are otherwise complete but have not had collars or foot rings welded to them, otherwise complete cylinders without a valve assembly attached, and cylinders that are otherwise complete except for testing, certification, and/or marking.

This order also covers steel propane cylinders that meet, are produced to meet, or are certified as meeting, other U.S. or Canadian government, international, or industry standards (including, for example, American Society of Mechanical Engineers (ASME), or American National Standard Institute (ANSI)), if they also meet, are produced to meet, or are certified as meeting USDOT Specification 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or a United Nations pressure receptacle standard ISO 4706.

Subject merchandise also includes steel propane cylinders that have been further processed in a third country, including but not limited to, attachment of collars, foot rings, or handles by welding or brazing, heat treatment, painting, testing, certification, or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the in-scope steel propane cylinders.

Specifically excluded are seamless steel propane cylinders and propane cylinders made from stainless steel (*i.e.*, steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight), aluminum, or composite fiber material. Composite fiber material is material consisting of the mechanical combination of two components: fiber (typically glass, carbon, or aramid (synthetic polymer)) and a matrix material (typically polymer resin, ceramic, or metallic).

The merchandise subject to this order is properly classified under statistical reporting numbers 7311.00.0060 and 7311.00.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.
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